

**A SUBSTITUTE RESOLUTION
BY TRANSPORTATION COMMITTEE**

A SUBSTITUTE RESOLUTION AUTHORIZING THE MAYOR OR HER DESIGNEE TO EXECUTE AN AMENDMENT NO. 18 TO THE CENTRAL PASSENGER TERMINAL COMPLEX AGREEMENT AND LEASE WITH DELTA AIR LINES, INC. COVERING THE ADDITION OF A BAGGAGE TUNNEL BETWEEN THE MAIN TERMINAL AND CONCOURSE B, VARIOUS SPACES IN THE MAIN TERMINAL BUILDING, A SPACE ON CONCOURSE E AND THE PEDESTRIAN TUNNEL BETWEEN CONCOURSE B AND CONCOURSE C; THE PERMANENT SURRENDER TO THE CITY OF ATLANTA OF VARIOUS EXCLUSIVE LEASED PREMISES WHICH ARE LOCATED IN THE MAIN TERMINAL BUILDING AND ON CONCOURSES "B" AND "E" AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT; REIMBURSEMENT TO DELTA OF UP TO \$3,561,022.00 TO PAY FOR THE COST OF CONSTRUCTING APPROXIMATELY 3,693 SQUARE FEET OF SPACE IN THE MAIN TERMINAL BUILDING; THE REIMBURSEMENT TO DELTA OF UP TO \$7,000,000.00 TO COVER THE COSTS OF ELECTRICAL IMPROVEMENTS AT THE AIRPORT MADE NECESSARY BY DELTA'S NEW BAGGAGE HANDLING SYSTEM; THE REIMBURSEMENT TO DELTA OF UP TO \$350,000.00 TO CONSTRUCT AN ELEVATOR ON CONCOURSE D; ALL SERVICES WILL BE CHARGED TO AND PAID FROM VARIOUS ACCOUNTS HEREIN; AND FOR OTHER PURPOSES.

WHEREAS, the City and Delta Air Lines, Inc. ("Delta"), are parties to an Agreement and Lease of Premises dated March 22, 1977, as heretofore amended ("CPTC Lease") covering the occupancy and use by the Airline of certain premises and facilities at the Hartsfield-Jackson Atlanta International Airport ("Airport"); and

WHEREAS, because Delta expects the number of passenger bags to increase in the future and efficient processing would require more space than is available in the Terminal Building at the Airport, Delta desires to construct a Baggage Handling System ("BHS") that will transport bags from the Terminal Building to Concourses "B" and "C" where space is available to process the bags; and

WHEREAS, Delta desires to lease approximately 60,989 square feet of tunnel space on the AGTS Utility Level; approximately 17,195 square feet of space that comprises the Quarter Point Tunnel between Concourses B and C and approximately 1,989 square feet of space on the apron level of the Terminal Building, and to acquire ceiling area access rights over the tug lane on the apron level of the Terminal Building in order to install the BHS; and

WHEREAS, the BHS will require more electrical capacity than currently exists in various portions of the Airport and the improvements necessary to provide the needed electrical capacity are expected to cost approximately \$7,000,000.00. Delta is willing to

perform the needed electrical work and pay for the work through increased CPTC Tenant Finishes, Equipment and Systems ("TFES") rentals; and

WHEREAS, approximately 3,693 square feet of Delta's Exclusive Leased Premises ("Check Point Space") is needed by the City in order to provide space for additional security check points in the south terminal and was previously constructed and paid for by Delta. Delta is ready and willing to permanently surrender the Check Point Space to the City and desires to be reimbursed the unamortized portion of their cost of approximately \$3,561,022 for the Check Point Space; and

WHEREAS, Delta desires to lease approximately 1,431 square feet of space on the ticketing level of the Landside Terminal Building to replace the surrendered Check Point Space; and

WHEREAS, Delta is ready and willing to permanently surrender to the City approximately 3,060 square feet of Exclusive Leased Premises located on Concourses "T", "B" and "E" for the purposes of expanding the concessions program at the Airport; and

WHEREAS, Delta operates a significant number of commuter and regional flights from Concourse D North and desires to install an elevator necessary to improve access for passengers between the boarding and ramp levels of the concourse. Delta is willing to install the elevator and desires to be reimbursed approximately \$350,000 for the installation.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ATLANTA, that the Mayor or her designee be and hereby is authorized to execute on behalf of the City of Atlanta an Amendment No. 18 to the CPTC Lease under which:

- A. Approximately 60,989 square feet of tunnel space on the AGTS Utility Level, approximately 17,195 square feet of space that comprises the Quarter Point Tunnel between Concourses B and C and 1,989 square feet of space on the apron level of the Terminal Building would be added to Delta's Exclusive Leased Premises and Delta's corresponding Facility Rentals and associated charges would be adjusted in accordance with the provisions of the CPTC Lease.
- B. Delta would be granted ceiling area access rights over the tug lane on the apron level of Terminal Building for the purpose of constructing the BHS.
- C. Delta would complete the electrical work associated with providing the increase in electrical capacity made necessary by the BHS, the City would reimburse Delta for said electrical work an amount not to exceed \$7,000,000.00, subject to the successful issuance of General Airport Revenue Bonds, and Delta would repay said amount through increased TFES Rentals.
- D. The City would reimburse Delta the unamortized portion of their cost of constructing the Check Point Space of up to \$3,561,022 and Delta would permanently surrender said space to the City.
- E. Approximately 1,431 square feet of space on the ticketing level of the Landside Terminal Building would be added to Delta's Exclusive Leased Premises and Delta's corresponding Facility Rentals and associated charges would be adjusted in accordance with the provisions of the CPTC Lease.

- F. Delta would permanently surrender to the City approximately 3,060 square feet of space on Concourses T, B and E for the expansion of the concessions program and Delta's corresponding Facility Rentals and associated charges would be adjusted in accordance with the provisions of the CPTC Lease.
- G. Delta would complete the installation of the elevator on Concourse D and the City would reimburse Delta an amount not to exceed \$350,000.

BE IT FURTHER RESOLVED that the City Attorney be and hereby is directed to prepare said Amendment No. 18 for execution by the Mayor.

BE IT FURTHER RESOLVED that all services will be charged to and from PTAE0: 18101172 (SECURITY IMPROVEMENTS) 105 (TASK) 550591336 (DOA PFC REVENUE 96AA) 5414002 (FACILITIES OTHER THAN BLDGS /INFRASTRUCTURE-CIP) AND FDOA: 5505 (AIRPORT PASSENGER FACILITY FUND) 180201 (DOA AVIATION CAPITAL PLANNING & DEVELOPMENT) 5414002 (FACILITIES OTHER THAN BLDGS /INFRASTRUCTURE-CIP) 7563000 (AIRPORT) 101172 (SECURITY IMPROVEMENTS) 91336 (DOA PASSENGER FACILITY CHARGES 96AA) 0000 (DEFAULT) 00000000 (DEFAULT) 00000000 (DEFAULT) NOT TO EXCEED \$3,561,022.00; AND FROM A FUTURE GENERAL AIRPORT REVENUE BOND SERIES NOT TO EXCEED \$7,000,000.00; AND FROM PTAE0: 18101352 (TERMINAL IMPROVEMENTS) 102 (TASK) 550621347 (DOA 2000 REV BOND 93CG) 5414002 (FACILITIES OTHER THAN BLDGS /INFRASTRUCTURE-CIP) and FDOA: 5506 (2000 AIRPORT REVENUE BOND FUND) 180201 (DOA AVIATION CAPITAL PLANNING & DEVELOPMENT) 5414002 (FACILITIES OTHER THAN BLDGS /INFRASTRUCTURE-CIP) 7563000 (AIRPORT) 101352 (TERMINAL IMPROVEMENTS) 21347 (DOA 2000 REV BOND 93CG) 0000 (DEFAULT) 00000000 (DEFAULT) 00000000 (DEFAULT) NOT TO EXCEED \$350,000.00.

BE IT FINALLY RESOLVED that said Amendment No. 18 shall not become binding upon the City, and the City shall incur no obligation or liability thereunder until same has been signed by the Mayor and delivered to Delta Air Lines, Inc.

**A RESOLUTION
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WHEREAS, the BHS will require more electrical capacity than currently exists in various portions of the Airport and the improvements necessary to provide the needed electrical capacity are expected to cost approximately \$7,000,000.00. Delta is willing to perform the needed electrical work and pay for the work through increased CPTC Tenant Finishes, Equipment and Systems ("TFES") rentals; and

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- B. Delta would be granted ceiling area access rights over the tug lane on the apron level of Terminal Building for the purpose of constructing the BHS.
- C. Delta would complete the electrical work associated with providing the increase in electrical capacity made necessary by the BHS, the City would reimburse Delta for said electrical work an amount not to exceed \$7,000,000.00, and Delta would repay said amount through increased TFES Rentals.
- D. The City would reimburse Delta the unamortized portion of their cost of constructing the Check Point Space of up to \$3,561,022 and Delta would permanently surrender said space to the City.
- E. Approximately 1,431 square feet of space on the ticketing level of the Landside Terminal Building would be added to Delta's Exclusive Leased Premises and Delta's corresponding Facility Rentals and associated charges would be adjusted in accordance with the provisions of the CPTC Lease.
- F. Delta would permanently surrender to the City approximately 3,060 square feet of space on Concourses T, B and E for the expansion of the concessions program and Delta's corresponding Facility Rentals and associated charges would be adjusted in accordance with the provisions of the CPTC Lease.

G. Delta would complete the installation of the elevator on Concourse D and the City would reimburse Delta an amount not to exceed \$350,000.

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Part II: Legislative White Paper: (This portion of the Legislative Request Form will be shared with City Council members and staff)

A. To be completed by Legislative Counsel:

Committee of Purview:

Caption:

Council Meeting Date:

Requesting Dept.:

FAC Confirmed by:

B. To be completed by the department:

1. Please provide a summary of the purpose of this legislation (Justification Statement).

This amendment will enable the City and Delta to provide increased customer service to the passengers using the airport in three ways:

- The upgrades to Delta's baggage handling system ("BHS") will result in fewer lost bags and more on time departures.
- The return of boarding level spaces will enable the City to provide concessions desired by travelers.
- The addition of an elevator on Concourse will alleviate the need for handicapped passengers from making a lengthy trip outside on the tarmac in order to access an elevator.

2. Please provide background information regarding this legislation.

The purpose of this legislation is to authorize the execution of an amendment to the CPTC Lease with Delta. The proposed Amendment 18 would add space needed by Delta to implement their approximately \$100M BHS upgrade. Via the proposed amendment, Delta would also surrender certain boarding level spaces needed by the City in order to expand the concession program at the airport. The Amendment would also provide for the reimbursement to Delta of \$7,000,000 for upgrades to the electrical system made necessary by the improvements to the BHS upgrades, approximately \$350,000 for the installation of an elevator on Concourse D and approximately \$3,560,000 for space constructed by Delta at their expense that is needed for the South Terminal Security Check Point expansion project.

3. If Applicable/Known:

(a) **Contract Type (e.g. Professional Services, Construction Agreement, etc):**

- (b) Source Selection:
- (c) Bids/Proposals Due:
- (d) Invitations Issued:
- (e) Number of Bids:
- (f) Proposals Received:
- (g) Bidders/Proponents:
- (h) Term of Contract: through 9/20/2010

4. Fund Account Center (*Ex. Name and number*):

Fund: _____ Account: _____ Center: _____

5. Source of Funds: *Example: Local Assistance Grant*

6. Fiscal Impact: None

Example: This legislation will result in a reduction in the amount of _____ to Fund Account Center Number _____.

7. Method of Cost Recovery: Cost recovery based rentals

Examples:

- a. *Revenues generated from the permits required under this legislation will be used to fund the personnel needed to carry out the permitting process.*
- b. *Money obtained from a local assistance grant will be used to cover the costs of this Summer Food Program.*

This Legislative Request Form Was Prepared By: Bill Murphy

TRANSMITTAL FORM FOR LEGISLATION

TO: MAYOR'S OFFICE

ATTN: GREG PRIDGEON

Dept.'s Legislative Liaison: Anita Williams

Contact Number: 404-530-6600

Originating Department: Aviation

Committee(s) of Purview: Transportation

Chief of Staff Deadline: 10/13/09

Anticipated Committee Meeting Date(s): 11/28/09

Anticipated Full Council Date: 11/02/09

Commissioner Signature: 


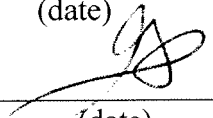
CAPTION

A RESOLUTION AUTHORIZING THE MAYOR OR HER DESIGNEE TO EXECUTE AN AMENDMENT NO. 18 TO THE CENTRAL PASSENGER TERMINAL COMPLEX AGREEMENT AND LEASE WITH DELTA AIR LINES, INC. COVERING THE ADDITION OF A BAGGAGE TUNNEL BETWEEN THE MAIN TERMINAL AND CONCOURSE B, VARIOUS SPACES IN THE MAIN TERMINAL BUILDING, A SPACE ON CONCOURSE E AND THE PEDESTRIAN TUNNEL BETWEEN CONCOURSE B AND CONCOURSE C; THE PERMANENT SURRENDER TO THE CITY OF ATLANTA OF VARIOUS EXCLUSIVE LEASED PREMISES WHICH ARE LOCATED IN THE MAIN TERMINAL BUILDING AND ON CONCOURSES "B" AND "E" AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT; REIMBURSEMENT TO DELTA OF UP TO \$3,561,022.00 TO PAY FOR THE COST OF CONSTRUCTING APPROXIMATELY 3,693 SQUARE FEET OF SPACE IN THE MAIN TERMINAL BUILDING; THE REIMBURSEMENT TO DELTA OF UP TO \$7,000,000.00 TO COVER THE COSTS OF ELECTRICAL IMPROVEMENTS AT THE AIRPORT MADE NECESSARY BY DELTA'S NEW BAGGAGE HANDLING SYSTEM; THE REIMBURSEMENT TO DELTA OF UP TO \$350,000.00 TO CONSTRUCT AN ELEVATOR ON CONCOURSE D; ALL SERVICES WILL BE CHARGED TO AND PAID FROM VARIOUS ACCOUNTS HEREIN; AND FOR OTHER PURPOSES.

FINANCIAL IMPACT (if any)

Mayor's Staff Only

Received by CPO: _____ Received by LC from CPO: _____
(date) (date)

Received by Mayor's Office: 10.19.09  Reviewed by: 
(date) (date)

Submitted to Council: _____
(date)